

## PROJECT OVERSIGHT REPORT

**The Ultimate Purchasing System (TUPS)  
Department of General Administration (GA)**

**Report as of Date:  
March 2002**

**Project Director:** Bill Joplin  
**MOSTD Staff:** Andy Marcella

**Executive Sponsor:** Robert Fukai

**Description:** The Department of General Administration's (GA) Office of State Procurement (OSP) initiated a project for a new statewide purchasing system that uses the Internet to automate the purchasing process. The Ultimate Purchasing System (TUPS) was to automate the selection, request, approval, order, receipt, and payment functions that interface with the state's central Automated Financial Reporting System (AFRS). Specifically, GA contracted with a vendor, American Management Systems (AMS), which hosts purchasing and catalog systems on AMS's own platform.

The objective of TUPS was to reduce staff time and the effort involved with procurement and payment processes while providing increased accountability for the state's \$1 billion per year in commodity purchasing. Additionally, the system would eliminate manual data entry into state systems and eliminate the need for vendors to report contract usage back to the state.

**Technology:** TUPS is a hosted service by AMS. The user of TUPS requires access to the Internet and a browser.

**Life Cycle Stage:** AMS has passed the system acceptance criteria.

**Budget:** AMS has been paid \$639,600 to date. Any future compensation was to be on a per transaction charge basis.

**Status:** Rob Fukai, Director of the Department of General Administration, has decided not to extend the state's contract with AMS for The Ultimate Purchasing System, which would be up for renewal in June 2002. GA will wind down the project over the next 30-45 days. Mr. Fukai cited state government's financial situation, the system not provided expected time savings, and technical issues that precluded the system from being easy-to-use system as reasons for the decision.

One outstanding issue is whether the Department of Transportation (DOT) will decide to use TUPS for their purchases. DOT has implemented changes to their accounting system to work with the TUPS application.

**Recommendation:** GA should evaluate the lessons learned from TUPS in order to determine the business case for any future initiatives. GA should also work with DOT to determine whether TUPS is of benefit to the Department.